

VZCZCXRO6055
OO RUEHCN RUEHGH
DE RUEHIN #0684/01 1371037
ZNY CCCCC ZZH
O 161037Z MAY 08
FM AIT TAIPEI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8947
INFO RUEHBJ/AMEMBASSY BEIJING 8279
RUEHUL/AMEMBASSY SEOUL 9598
RUEHKO/AMEMBASSY TOKYO 9922
RUEHCN/AMCONSUL CHENGDU 2682
RUEHGZ/AMCONSUL GUANGZHOU 1251
RUEHHK/AMCONSUL HONG KONG 9520
RUEHGH/AMCONSUL SHANGHAI 2067
RUEHSH/AMCONSUL SHENYANG 6650
RUEKJCS/SECDEF WASHINGTON DC
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHINGTON DC
RHHJJAA/JICPAC HONOLULU HI
RHHMUNA/USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000684

SIPDIS

E.O. 12958: DECL: 05/16/2018
TAGS: [PGOV](#) [TW](#)
SUBJECT: FORMER PRESIDENT LEE TENG-HUI POSITIVE ON
PRESIDENT-ELECT MA YING-JEOU

Classified By: AIT Director Stephen M. Young,
Reasons: 1.4 (b/d)

¶1. (C) Summary: In a meeting with the Director on May 14, former President Lee Teng-hui expressed "relative confidence" that Ma Ying-jeou will do well as president. Lee characterized Ma as clean, resolute, and pro-democracy. In Lee's view, Ma's greatest problem will be controlling the KMT, some of whose leaders are anxious to improve relations with China for their own personal benefit. According to Lee, Ma selected Taiwan Solidarity Union (TSU) member Lai Shin-yuan, who is close to Lee, as head of the Mainland Affairs Council (MAC) to act as a "brake" on some KMT leaders who want to go too fast in expanding relations with China. Lee said he will send flowers but not attend Ma's inauguration on May 20 because of hard feelings between him and some "hard-line" KMT leaders and because he does not want to encounter President Chen Shui-bian. Lee also expressed doubt that former Vice Premier Tsai Ing-wen will be able to move the DPP forward if she is elected party chairperson on May 18. End Summary.

¶2. (C) The Director discussed Taiwan political developments with former President Lee Teng-hui, the "spiritual leader" of the TSU, on May 14. Lee was interested in the Director's reaction to President-elect Ma Ying-jeou's selection of former TSU legislator Lai Shin-yuan to head the Mainland Affairs Council (MAC). (Note: Lai is a protege of Lee Teng-hui.) When Ma first asked Lai, Lee recalled, he had advised her to weigh the offer carefully. While Ma would want her to do well, she would be vulnerable to bullying by the KMT and to attacks from the DPP. Subsequently, Lee asked Ma why he wanted to appoint Lai. According to Lee, Ma was concerned that the KMT would try to move too quickly on cross-Straits relations and he wanted Lai and the MAC to serve as a "brake."

¶3. (C) Lee noted that he had advised Ma to do more and say less, and to minimize his use of the terms "92 consensus" and "one China, separate interpretations." Rather, Ma should use the term "ROC on Taiwan." Lee also told the Director that in his opinion the leaders in Beijing do not necessarily completely trust Ma Ying-jeou because they think he is too close to the U.S.

¶4. (C) Lee said he was "relatively confident" that Ma would do well as president. Ma is self-controlled and resolute,

clean and honest, a definite improvement over President Chen and the DPP. Ma is different from the old KMT and he will promote Taiwan's democratic development. This contrasts with President Chen, who, Lee maintained, reversed Taiwan's democratic progress. Lee said he would not attend Ma's inauguration ceremony because of the mutual hard feelings between him and many "old guard" KMT leaders and also because he does not want to encounter Chen Shui-bian. However, to show his good will, Lee said he would send flowers to Ma for the inauguration.

15. (C) Lee recalled telling Ma after the election that his strong victory, especially in central and southern Taiwan, was directly related to his successful long-stay program. Prior to the election, Ma had spent 99 days staying one night each in the homes of ordinary people in rural and other local areas throughout Taiwan. The Taiwan people learned that Ma was more than someone who is just good looking, while Ma gained an appreciation of the lives and difficulties of ordinary people.

16. (C) Lee suggested Ma's biggest problem will be controlling the KMT, including leaders like Honorary Chairman Lien Chan and P. K. Chiang, the incoming chairman of the Straits Exchange Foundation (SEF). Lien and Chiang have been using the party-to-party channel as a vehicle to pursue their own business interests in China, Lee claimed. He suggested that Ma should move gradually to remove such people, for example, by abolishing the SEF, which would get rid of P. K. Chiang.

17. (C) Noting that he has lost hope in the DPP, Lee doubted

TAIPEI 00000684 002 OF 002

that Tsai Ing-wen, a candidate in the May 18 chairperson election, would be able to move the party forward. The DPP's failure to criticize Chen Shui-bian indicates the party has lost its integrity. Lee questioned Tsai Ing-wen's capabilities, noting he had used her on "small issues" when he was president and, in his view, she is too close to Chen Shui-bian, Chiou I-jen, and the New Tide faction. Lee recalled that then Premier Yu Shyi-kun and MAC Chair Tsai Ing-wen had sought his support for a move to allow Taiwan firms to set up eight-inch wafer fabs in China. Lee objected, however, because the companies involved had benefited from tax breaks and Taiwan government investment and because many other auxiliary industries would also leave Taiwan if such factories moved to China. Lee said he told Tsai bluntly at the time, "If Taiwan has economic problems, you will be responsible."

Comment

18. (C) The 85-year old Lee, always sharp mentally, was healthier and more energetic than in our meetings last year, and he told us he is now playing golf regularly with his wife. Ma Ying-jeou's efforts to show respect to Lee Teng-hui have paid off as Lee has dropped his earlier reservations about Ma, which centered on cross-strait policy issues. Ma's appointment of Lai Shin-yuan clearly pleased and reassured Lee, who now speaks fondly of his mentoring role toward Ma in the 1990s. Lee's strong support for Ma in the 1998 Taipei mayoral election contributed to Ma's first electoral victory.

Although Lee's direct political influence is now limited because of sour relations with the KMT and his disdain for Chen Shui-bian and the DPP, he is still an important symbol of Taiwan's democracy and identity for the ethnic Taiwanese majority. Lee's disparaging remarks about Tsai Ing-wen reflect his general unhappiness with the DPP and his past disagreement with DPP policies aimed at easing restrictions on Taiwan investment in the mainland. This new attitude masks the former close relations between the two, as Tsai provided the intellectual underpinnings for Lee's controversial "state-to-state theory" in 1999.

